

**INSTRUCTIONS FOR COMPLETING THE SURVEY FOR DEFERRED DEPOSIT
ORIGINATORS LICENSED UNDER THE
CALIFORNIA DEFERRED DEPOSIT TRANSACTION LAW**

REQUIREMENT FOR THE SURVEY: On December 1, 2007, the California Corporations Commissioner (Commissioner) is required to report to the Governor and the Legislature on the implementation of the California Deferred Deposit Transaction Law (CDDTL). The report to the Legislature is required to include, at a minimum, information regarding the demand for deferred deposit transactions, the growth and trends in the industry, common practices for conducting the business of deferred deposit transactions, the advertising practices of the industry, including any violations of Section 23027, and any other information the Commissioner deems necessary to inform the Governor and the Legislature regarding potential legislation that may be necessary to protect the people of the State of California. *Section 23057 of the California Financial Code requires the licensees to supply all information the Commissioner deems necessary to conduct this study.*

The survey is necessary to provide the Commissioner with information on the borrowers' usage of the loan product, specifically if the loans are being used to meet short-term emergency cash needs or the loans are a source of longer-term borrowing. The survey will also provide information relating to the frequency and usage of payment plans. This information will assist the Commissioner in determining if there is a need to recommend changes for the fees charged to consumers, the length of time for deferred deposit transactions, maximum amount provided to consumers, and the implementation of an installment loan product in lieu of or in addition to a deferred deposit transaction. The survey is also requesting information on the volume of deferred deposit transactions conducted over the Internet. This will assist the Commissioner in determining if there is a need to make recommendations for deferred deposit business conducted over the Internet.

WHO MUST FILE THE SURVEY: Every licensee who is licensed as of December 31, 2006 shall file the Department's Survey, unless an exemption has been granted. The Survey is to include information on all business conducted pursuant to the authority of the California Deferred Deposit Transaction Law by licensees located in or outside the State of California. A survey shall be filed even if no business was conducted under the authority of the license during the period from January 1, 2006 to December 31, 2006.

DUE DATE/PENALTY FOR FAILURE TO FILE THE SURVEY: The report is due on or before March 15, 2007, unless an exemption has been granted. No extension of the filing date can be granted. Failure to file the report may result in revocation of your license(s).

WHERE TO FILE THE SURVEY:

DEPARTMENT OF CORPORATIONS
Financial Services Division
320 West Fourth Street, Suite 750
Los Angeles, CA 90013

THE SURVEY FORM: The survey must be submitted on this form.

PERIOD COVERED BY THE SURVEY: The reporting period is (1) January 1, 2006 to December 31, 2006 or (2) from the effective date of licensure for licenses issued after January 1, 2006 to December 31, 2006, unless an exemption has been granted.

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COMPANIES WITH MULTIPLE LOCATIONS: Companies with multiple licenses must prepare one survey consolidating the information from all locations into one report.

SURVEY AVAILABLE ON THE INTERNET: The survey is also available at the Department's Internet website at www.corp.ca.gov.

EXEMPTION: Those licensees that can demonstrate that providing the information requested in the Survey for the period from January 1, 2006 to December 31, 2006 will create a substantial financial burden may request an exemption from the Commissioner. The request for the exemption must be in writing and describe in detail the additional costs the licensee would incur in order to provide the information requested in the survey for the period from January 1, 2006 to December 31, 2006. ***The request for the exemption must be filed with the Department no later than January 31, 2007.*** The Department will notify those licensees in writing if the exemption has been granted or not granted. Those licensees that are granted the exemption will be required to file the Survey for the period from January 1, 2007 to June 30, 2007. For those licensees granted the exemption, the survey for the period from January 1, 2007 to June 30, 2007 shall be due on July 31, 2007.

Those licensees that do not submit the request for the exemption by January 31, 2007 or are not granted the exemption shall be required to file the Survey for the period from January 1, 2006 to December 31, 2006 by the due date of March 15, 2007.

VERIFICATION: The Verification on page 3 must be executed by the licensee or authorized person on behalf of the licensee. For example, the verification must be signed by an individual if the licensee is an individual, by a general partner if the licensee is a partnership, by a corporate officer if the licensee is a corporation or a manager if the licensee is a limited liability company. The Verification must have an original signature. Surveys bearing incomplete verifications or a missing signature will not be accepted and will be returned to the licensee.

OTHER REPORT REQUIREMENTS:

Multiple Deferred Deposit Transactions

- The “multiple deferred deposit transactions” shall be the total number of deferred deposit transactions (DDTs) in which an individual borrower obtained a new DDT more than six (6) calendar days after the original due date of the existing DDT. Count those DDTs in which the due date was extended for more than five (5) days from the original due date and those DDTs that had a payment plan with a term longer than five (5) calendar days from the original due date of the loan. Do not count consecutive deferred deposit transactions as described below.

Consecutive Deferred Deposit Transactions

- The “consecutive deferred deposit transactions” shall be the total number of (DDTs) in which an individual borrower obtained a new DDT within five (5) calendar days of the original due date of the existing DDT. Do not count those DDTs in which the due date was extended for more than five (5) calendar days from the original due date or those

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DDTs that had a payment plan with a term longer than five (5) calendar days from the original due date of the DDT.

- For the “total number of individual customers”, count repeat customers more than once. For example, a customer that received three (3) consecutive DDTs and then six (6) or more calendar days later, received six (6) consecutive DDTs, would be counted once in Item 1 and once in Item 2. A customer that received three (3) consecutive DDTs and then six (6) or more calendar days later, received three (3) consecutive DDTs, would be counted twice in Item 1.

Payment Plans

- For payment plans, list the total number of payment plans entered into with customers. Count the payment plans in which the borrowers agreed to make two or more payments. Count the payment plans even if the borrowers did not make all of the payments as agreed to in the payment plan. Count only one payment plan for each loan, even if multiple payment plans were entered into for the same loan. For the minimum, maximum and average number of days of payment plans, count the number of days starting from the date the payment plan was entered into with the customer to the date of the last payment date as agreed to in the payment plan. Do not count as a payment plan a transaction in which the borrower defaulted on a loan, then made payments without entering into a payment plan with the licensee.

Internet Transactions

- Answer “yes” if your company conducts deferred deposit transaction business over the Internet. Count only those deferred deposit transactions in which the application is completed online and returned to the licensee with an electronic signature over the Internet. If yes, count the number of deferred deposit transactions conducted over the Internet.

QUESTIONS REGARDING THIS SURVEY: If you have questions regarding this survey, you may contact Special Administrator Steven C. Thompson in the Los Angeles office at (213) 576-7610.